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January 20, 1981

NATIONAL SECURITY DECISION DIRECTIVE 2

To:

The Vice President

The Secretary of State

The Secretary of the Treasury

The Secretary of Defense

The Attorney General

The Secretary of Commerce

The Secretary of Energy

The Director of the Office of Management & Budget

The Director of Central Intelligence

The United States Representative to the United Nations

The Counselor to the President (Policy)

The Chairman, Council of Economic Advisers

The Assistant to the President for National Security Affairs

The Director, Arms Control and Disarmament Agency

The Chief of Staff

The Chairman, Joint Chiefs of Staff

SUBJECT: The National Security Council Structure

I. National Security Council

The National Security Council shall be the principal forum for consideration of national security policy issues requiring Presidential determination.

The functions, membership and responsibilities of the National Security Council shall be as set forth in the National Security Act of 1947, as amended.

The Council shall meet regularly, and discussion will--except in unusual circumstances--be limited to agenda subjects. Heads of Departments and Agencies not statutory members shall participate as appropriate when matters affecting their Departments or Agencies are considered. The Assistant to the President for National Security Affairs, in consultation with the Secretaries of State and Defense, shall be responsible for determining the agenda and ensuring that the necessary papers are prepared.

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The Secretary of State is responsible for preparation of all
papers concerning matters affecting the foreign policy and foreign
relations of the United States for consideration by the NSC.

The Secretary of Defense is responsible for preparation of all papers concerning matters of direct and primary concern to the Department of Defense and defense policy for consideration by the NSC. To assist the Secretary of State and Secretary of Defense in carrying out their individual responsibilities, interdepartmental groups will be established. Their organization and functions will be the subject of a subsequent NSDD.

II. Responsibilities of the Secretary of State

The Secretary of State is my principal foreign policy advisor.

As such, he is responsible for the formulation of foreign policy and for the execution of approved policy.

I have assigned to the Secretary of State authority and responsibility to the full extent permitted by law* for the overall direction, coordination and supervision of the interdepartmental activities incident to foreign policy formulation and all interdepartmental activities of the United States overseas. Such activities do not include those of United States military forces operating in the field where such forces are under the command of a United States area military commander and such other military activities as I elect as Commander in Chief to conduct through military channels. The Secretary of State will discharge this authority and responsibility primarily through the Deputy Secretary of State and the appropriate Assistant Secretaries of State, who

^{*} Including continuous supervision and general direction of economic assistance, military assistance and sales programs, as authorized by law.

will be assisted by interdepartmental groups of which they will be chairmen.

Activities which are internal to the execution and administration of the approved programs of a single department or agency and which are not of such a nature as to affect significantly the overall U.S. overseas program in a country or region are not considered to be interdepartmental matters in the meaning of this Directive. If disagreement arises at any echelon over whether a matter is interdepartmental or not within the meaning of this Directive, the procedure set forth herein will be invoked which permits a department or agency to appeal from the decision of a chairman to the next higher authority.

1. The Senior Interdepartmental Group -- Foreign Policy (SIG-FP)

To assist the Secretary of State in discharging his authority and responsibility for interdepartmental foreign policy or foreign affairs matters which cannot be dealt with adequately at lower levels, including those of the Intelligence Community, the (SIG-FP) is established. The SIG-FP shall comprise the Deputy Secretary of State (Chairman), the Deputy Secretary of Defense, the Director of Central Intelligence, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for National Security Affairs. Representatives of other Departments

and Agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman.

The Senior Interdepartmental Group -- Foreign Policy will assist the Secretary of State by:

- a. ensuring that important foreign policy problems requiring interdepartmental attention receive full, prompt and systematic consideration;
- dealing promptly with interdepartmental matters

 referred by the Assistant Secretaries of State or

 raised by any of its members, or, if such matters

 require higher level consideration, reporting them

 promptly to the Secretary of State for appropriate

 consideration and, if appropriate, preparing the

 analytical review for the consideration of the

 National Security Council and the President;
- c. assuring a proper selectivity of the foreign policy/
 foreign affairs areas and issues to which the United
 States applies its resources and establishing the
 priorities for resource commitment;
- d. monitoring the execution of approved policies and operational decisions;
- e. verifying the adequacy and effectiveness of interdepartmental overseas programs and activities.

The SIG-FP will meet

regularly

or at the call of the Chairman. A Secretariat com-

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prising full-time personnel of the Department of State and personnel provided at the Chairman's request by the Departments and Agencies represented on the SIG shall be established.

2. Interdepartmental Groups

To assist the Assistant Secretaries of State, Interdepartmental Groups (IG) shall be established for each geographic region corresponding to the jurisdiction of the geographic bureaus in the Department of State, for Political-Military Affairs, and for International Economic Affairs. Each IG shall comprise the appropriate Assistant Secretary of State (Chairman) and a designated representative of the Secretary of Defense, the Director of CIA, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for National Security Affairs. Representatives of other Departments and Agencies with responsibility for specific matters to be considered will attend on invita-The IG for Interdepartmental Economic Affairs tion by the Chairman. will include representatives of the Secretary of the Treasury, the Secretary of Commerce and the Special Trade Representative.

The Assistant Secretaries of State, in their capacities

as Chairmen of the IGs, will assure the adequacy of

United States policy in the areas of their responsibility and of

the plans, programs, resources and performance for implementing

that policy. They will be responsible for the conduct of inter
agency policy studies within the areas of their responsibility

for consideration by the Senior Interdepartmental Group.

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The regional Interdepartmental Groups also shall prepare contingency plans pertaining to potential crises in their respective areas of responsibility. Political-military contingency planning will be conducted under the direction of and coordination with the Chairman of the Political-Military Interdepartmental Group.

III. Responsibilities of the Secretary of Defense

The Secretary of Defense is my principal defense policy advisor. As such, he is responsible for the formulation of all matters of direct and primary concern to the Department of Defense and defense policy.

I have assigned to the Secretary of Defense authority and responsibility to the full extent permitted by law for the overall direction, coordination and supervision of the interdepartmental activities incident to defense policy formulation and all interdepartmental activities of direct and primary concern to the Department of Defense and defense policy. The Secretary of Defense will be assisted by interdepartmental groups on which representatives of the Department of Defense will be chairmen.

The Senior Interdepartmental Group -- Defense Policy (SIG-DP)

To assist the Secretary of Defense in discharging his authority and responsibility for interdepartmental defense policy

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matters which cannot be dealt with adequately at lower levels, including those of the Intelligence Community, the SIG-DP is established. The SIG-DP shall comprise the Deputy Secretary of Defense (Chairman), the Deputy Secretary of State, the Director of Central Intelligence, the Chairman, Joint Chiefs of Staff and the Assistant to the President for National Security Affairs. Representatives of other Departments and Agencies with specific matters to be considered will attend on invitation by the Chairman.

The Senior Interdepartmental Group -- Defense Policy will assist the Secretary of Defense by:

- a. ensuring that important defense policy problems requiring interdepartmental attention receive full, prompt and systematic consideration.
- b. dealing promptly with interdepartmental matters
 referred by the Assistant Secretaries of Defense or
 raised by any of its members, or, if such matters
 require higher level consideration, reporting them
 promptly to the Secretary of Defense for appropriate
 consideration and, if appropriate, preparing the
 analytical review for the consideration of the
 National Security Council and the President;
- c. assuring a proper selectivity of the defense policy areas and issues to which the United States applies its resources and establishing the priorities for resource commitment;

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d. monitoring the execution of approved policies and operational decisions.

The SIG-DP will meet in the Department of Defense regularly and especially at the call of the Chairman. A Secretariat comprising full-time personnel of the Department of Defense and personnel provided at the Chairman's request by the Departments and Agencies represented on the SIG-DP shall be established.

2: Interdepartmental Groups

To assist the Assistant Secretaries of Defense, Interdepartmental Groups (IG) shall be established as necessary to meet

Defense Policy requirements. Each IG shall comprise the appropriate

Assistant Secretary of Defense (Chairman) and a designated Central Intelligrepresentative of the Secretary of State, the Director of / the

Chairman of the Joint Chiefs of Staff, and the Assistant to the

President for National Security Affairs. Representatives of other

Departments and Agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman.

The Assistant Secretaries of Defense, in their capacities

as Chairmen of the IGs, will assure the adequacy of

United States defense policy in the areas of their responsibility

and of the plans, programs, resources and performance for implementing that policy. They will be responsible for the conduct of

interagency policy studies within the areas of their responsibility

for consideration by the Senior Interdepartmental Group.

IV. General

The Secretary of State and Secretary of Defense are authorized to establish such additional Interdepartmental Groups on either a standing or ad hoc basis as they may determine desirable in the discharge of their responsibilities.

The operational responsibility or authority of a Secretary or other Agency Head over personnel from the Department or Agency concerned serving on Interdepartmental Groups—including the authority to give necessary guidance to the representatives in the performance of Interdepartmental Group duties—is not limited by this Directive.